



October 3, 2014

Mr. Jeff Derouen
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Re: East Kentucky Power Cooperative, Inc. Section DSM-9 ENERGY STAR[®] Appliances Program (New)

Dear Mr. Derouen:

Please find enclosed for filing with the Commission, via the electronic tariff filing system, the above- referenced tariff.

East Kentucky Power Cooperative, Inc. ("EKPC") is expanding its Demand-Side Management ("DSM") program offerings by introducing the ENERGY STAR[®] appliance program, a common DSM rebate program offered by utilities across Kentucky and the United States that offers incentives to purchase applicable ENERGY STAR[®] appliances. The EKPC DSM Steering Committee ("the committee"), a committee of EKPC and owner-member cooperative ("owner-member") staff, has determined that the ENERGY STAR[®] appliance program is a worthwhile DSM program. Subsequently, the committee received approval from EKPC executive staff and owner-member CEOs to develop and fund said program pending Commission approval.

Please find attached the California Tests results and the program assumption sheet for the group of appliances as a whole. The Total Resource Cost (TRC) is 1.49 while the Rate Impact Measures (RIM) for EKPC is 0.80 and the owner-members is 1.0. Also attached are the assumption sheets for all seven (7) appliances for which a rebate will be offered. The California Test applies a measure of energy efficiency to each appliance and the collective measures for the group of seven appliances make up the resulting 1.49 TRC for the program as a whole. The EKPC RIM is lower than usual because of program design - the committee felt that consistency with the Louisville Gas and Electric Company and Kentucky Utilities Company ("LG&E-KU") program would provide simplicity to the customers across Kentucky and help lower public confusion about rebate levels, and recommended that the rebate levels for each applicable appliance type match the rebates offered by LG&E- KU. While the rebate levels that are designed to drive participation in the ENERGY STAR[®] appliances program are generous, they result in a lower RIM for EKPC.

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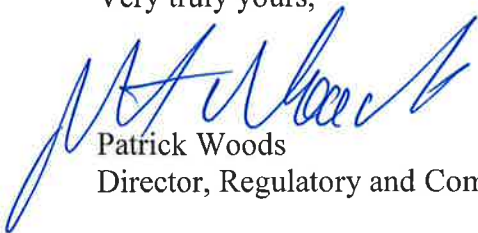
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The tariff details the end-use cooperative member (“end-use member”) incentive (rebate) levels per ENERGY STAR® appliance type as well as the transfer payment to the owner-member to cover lost revenues. Also, attached for your reference, are the detailed program guidelines, which will be available on each participating owner-member’s website. As stated in the guidelines, the end-use member who wishes to apply for an ENERGY STAR® appliance rebate may do so by completing the rebate application that can be: 1) downloaded from their owner-member’s website, 2) filled-out through an online portal on their owner-member’s website, or 3) in person at their owner-member’s office. The appliance verification as a qualifying ENERGY STAR® appliance, the end-use member qualifications per the program guidelines, and the incentive (rebate) payment will be handled by a 3rd party contractor. EKPC issued an RFP for these services as part of the RFP issued for the Appliance Recycling Program (Section DSM – 8: Appliance Recycling Program), and the same contractor will provide services for both the Appliance Recycling Program and the ENERGY STAR® appliance program. The contractor’s associated costs are accurately reflected in the TRC and RIM calculations previously mentioned.

Pursuant to KRS 278.180 EKPC must give at least 30-days’ notice to the Commission. Therefore, the proposed effective date of this program will be November 3, 2014. Pursuant to 807 KAR 5:011, EKPC has posted the requisite notice at its office located at 4775 Lexington Road, Winchester, Kentucky and will post the requisite notice on its website, no later than five (5) business days from today’s date, which will include a hyperlink to the Commission’s website where the tariff can be found. EKPC has also given written notice to its 16 owner-members by mailing a copy of the notice and proposed tariff to each of them, on this date.

Please contact me if you have any questions.

Very truly yours,



Patrick Woods
Director, Regulatory and Compliance Services

Enclosures